

Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
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psc.ky.gov

Angie Hatton
Chair

Mary Pat Regan
Commissioner

July 1, 2025

PARTIES OF RECORD

Re: Case No. 2025-00125

Notice is given to all parties that the attached Informal Conference Memorandum and attendance list has been filed into the record of this proceeding.

If you have any comments you would like to make regarding the contents of the document, please do so within five days of receipt of this letter. If you have any questions, please contact Whitney Saffari, Staff Attorney, at whitney.saffari@ky.gov.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell" followed by the initials "RP".

Linda C. Bridwell, PE
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2025-00125

FROM: Whitney B. Saffari, Staff Attorney

DATE: June 27, 2025

RE: Informal Conference of June 20, 2025

Pursuant to the Procedural Schedule issued on June 13, 2025, an informal conference (IC) was conducted on June 20, 2025. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss Duke Energy Kentucky's (Duke Kentucky) natural gas rate case. Duke Kentucky provided a presentation, which is filed into the record with this memorandum. Duke Kentucky briefly explained its application, requests, and noted how to effectively and quickly reference the provided spreadsheets. Duke Kentucky also explained its pro forma adjustments compared to previous filings.

Furthermore, Duke Kentucky stated that in customer class cost of study (COSS), it used the zero-intercept program instead of the minimum distribution program since the Commission noted in its last order that it was the preferred program. Lastly, Duke Kentucky discussed the Rider PMM and propose project to replace the Aldyl-A pipes. Duke Kentucky clarified that the request to recover cost in the PMM would not start until the AM07 project is completed.

Staff then discussed availability of the parties in order to schedule a hearing in this matter.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

PSC INFORMAL CONFERENCE SIGN IN SHEET

CASE NUMBER: IC 2025-00125- Duke Energy Kentucky

LOCATION: Public Service Commission, 211 Sower Blvd.
Frankfort, KY 40601

DATE: June 20, 2025 11:00 am- 12:00 pm

NAME	COMPANY
Jefferson "Jay" P. Brown	Duke Kentucky
Adam Long	Duke Kentucky
Bruce Sailers	Duke Kentucky
Rocco D'Ascenzo	Duke Kentucky
Douglas Heitkamp	Duke Kentucky
Sarah Lawler	Duke Kentucky
Tripp Coston	PSC-Director of Financial Analysis
Calvin Bailey	PSC-Legal Intern
Emma Johns	PSC-Legal Intern
Moriah Tussey	PSC- Assistant General Counsel
Sarah Jankowski	PSC- Financial Analyst
Angela M. Goad	Office of the Attorney General
Randy Futral	Office of the Attorney General
Daniel Hinton	PSC- Financial Analyst
Bentley Jarboe	PSC- Financial Analyst
Noah Abner	PSC- Financial Analyst

Mary Whittaker	PSC- Financial Analyst
Wright Williams	PSC- Staff Attorney
Whitney Saffari	PSC- Staff Attorney

Duke Energy Kentucky Natural Gas Base Rate Case Informal Technical Conference

CASE NO. 2025-00125



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Agenda (Questions throughout)

- **Summary of the rate case application and drivers of deficiency**
- **Walk Through of Rate Case Models: Excel files provided in response to STAFF DR-01-054.**
 - **Revenue Requirements Model (SFRs) (Volume 10: Schedules A - K)**
 - **Key Schedules:**
 - **Schedule A: Total revenue requirement and deficiency**
 - **Schedule B-1: Rate Base**
 - **Schedule C-2: Operating Income**
 - **Schedule D-1: Proforma Adjustments**
 - **Schedule J-1: Cost of Capital**
 - **Class Cost of Service Model (Volume 9)**
 - **Rate Design (Volume 11: Schedule M & N)**
- **Rider PMM Proposals**

Rate Case Summary

Forecasted Test Period

- Revenues & Expenses: January 1, 2026 – December 31, 2026
- Rate Base: Thirteen-month average December 31, 2025 – December 31, 2026.

Revenue Deficiency: \$26,387,365 or 17%

- Schedule A Line 8
- Schedule M Line 25

Rate Base: \$553,831,292

- Schedule B-1 Line 13
- Schedule A Line 1

Rate of Return (ROR) : 8.011%

- Schedule J-1 Line 5
- Schedule A Line 4

Return on Equity (ROE): 10.75%

- Schedule J-1 Line 1

Rate Case Summary, Continued

Cost-of-Service and Rate Design

- Moved each customer class closer to Cost-of-Service by removing 50% of subsidy
- Residential Fixed Charge: \$21.00 (Cost-of-Service Study supports \$32.56)
- Rate GS Fixed Charge: \$65.00 (Cost of-Service Study supports \$72.12)

Riders

- Continue Weather Normalization Adjustment (WNA)
- Continue and Expand Pipeline Modernization Mechanism (PMM)

Other

- Elimination of Soft Close Process
- Elimination of residential credit card fees

Rate Case Deficiency Drivers

Return on Rate Base Increases: resulting in \$19 million revenue deficiency

- Gross plant has increased \$153 million from \$772 million in the last rate case to \$925 million in this case.
- Resulting increase in net rate base of \$87 million

Depreciation & Property Tax Expense Increases: \$9 million

All other Expenses Decreases: (\$2 million)



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